

**Financial Matters Sub-Committee June 24, 2020
Minutes**

Members present: Christine Saulnier, Chair, James Broderick, Michael Kane, Thomas O'Connor, Mary McNally, Diane Bishop, Ryan Quimby, Kathleen Hill (ex-officio, non-voting)

The meeting was held in the Media Room of the Council on Aging, compliant with COVID-19 guidelines, and was called to order by Chris Saulnier at 10:10am.

The first item of discussion was review and approval of the minutes of June 17, 2020. Jim moved to approve the minutes seconded by Mike. The minutes were approved unanimously 5-0-0. The Executive Session Minutes of April 29, 2020 and of June 12, 2020 were also approved unanimously 5-0-0.

Chris returned to the discussion of the greeter for the police department. It was reiterated that the committee's role was to allocate a number and the Chief's role was to determine how to use the allocation to staff the greeter positions. Jim moved (second Tom) to allocate \$54,800 for the greeter line item. He noted that, if approved, the number would reflect a cut of \$11,328 from the original allocation and would bring the total police department budget allocation to \$2,948,775.79. Voting YES were Saulnier, Broderick, Bishop, Kane, O'Connor.

Chris returned to the subject of the Capital Plan recommendations and asked if the costs of debt service were included with the cost of the item or absorbed by retained income. Jim stated that it was his recollection that for all items requested will be from borrowed funds and the debt service costs would come from retained earnings. He was not sure if the same rationale was used for Enterprise Fund purchases in the FY20 budget. Olga stated that she thought the use of retained income to cover debt service on Capital projects was also used in FY20. Mary will verify with Dawn Fonte. Mary also noted that the debt service costs for the high school Feasibility Study and the steam pipes project for Mapleshade would be paid from the General Fund Jim will prepare a new spreadsheet to reflect the committee's recommendations and it will include a Comments column to explain the rationale for certain of the allocations. He will have this report ready for the July 7, 2020 committee meeting. Jim also asked Diane about valuation estimates. Diane stated that the Assessors agreed that most likely there would be a slight increase in valuation estimates. Diane stated this was based upon the FY20 base + anticipated new growth + 1%. She indicated that the valuation amounts on page 1 of the budget document include the anticipated new growth. Jim also asked Mary for accurate balances of the OPEB, Stabilization, and Free Cash funds to include in his report.

Mary asked the committee its expectations for her preparation of her Manager's proposed budget document. It was felt that since her document and that of Jim's will principally be the same, it made sense to look at Jim's report on July 7 and decide how to merge aspects of both.

Jim raised the concern that the School Department planned to use a figure of approximately \$143,000 in reductions and the committee planned to use the figure of approximately \$200,000 in reductions. He told the committee that he would be amenable with approving either the \$143K or the \$200K. The \$200K represented a 1.3% increase, and the \$143K represented a 1.5% increase. Tom clarified that he agreed with using the \$200K figure as the approximate difference in the two would account for the debt service funds attributable to the \$1.2M Feasibility Study. Mike recollected that the committee's original decision was to reduce the school's budget by \$200K+ and that Richard Freccero asked if the committee would consider rounding the reduction down to just \$200K. Chris added that the committee did agree to include the Feasibility Study in its Capital Plan as well as the potential for the school department to receive approximately \$260K from the CARES Act. Mary also noted that Superintendent Gordon Smith told her that Reduction in Force letters were sent to 5 staff and that 6 positions across the district will remain unfilled.

Tom noted that the Revolving and Enterprise Funds have yet to be addressed. Chris stated that she felt the committee had generally accepted the numbers as they have been reported. Tom asked about the format for reporting this information and indicated he had made Mary aware of a previous format that he felt was more conducive to providing full and accurate information. He noted that Mary was amenable to using this

recommended format. Chris stated that whichever format Mary decided to use would be acceptable to the committee.

In preparation for the July 14, 2020 Council meeting and public hearing for the FY21 budget, the committee would meet again on July 7, 2020 at 10:00am at the Council on Aging.

Jim made a motion to adjourn (seconded Tom). The motion to adjourn was approved unanimously 5-0-0. The meeting adjourned at 10:55am.

Respectfully submitted,
Kathleen Hill
Ex-officio (non-voting)